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And Stephen Blust

7 UNITED STATES DISTRICT COURT
8 DISTRICT OF NEVADA

FILED
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LANCE S. WILSON
CLERK
DEPUTY

9 THOMAS A. DILLON, Independent Fiduciary of CASE NO. CV-N-03-0119-HDM (VPC)
10 Employer Mutual Plans

11 Plaintiff

PRELIMINARY REPORT

12 vs.

13 JAMES GRAF, et al.

14 Defendants. /

15 Defendants Horizon Insurance Associates and Stephen Blust submit this Preliminary
16 Report pursuant to Court Order dated March 25, 2003.

17 I.

18 **Preliminary Understanding of Facts**

19 The understanding of these Defendants is limited and/or non-existent.

20 Horizon Insurance Association and Stephen Blust were approached by GTPS Insurance
21 Agency, which is owned by a bank, and offered a contract with Employers Mutual in July of 2001.
22 GTPS had indicated there had been no complaints either with the Department of Insurance or
23 about the health insurance being offered.

24 Mr. Blust proceeded to place two groups, Centre State International Trucks and Xenia
25 Manufacturing, Inc., with Employers Mutual. Centre State International Trucks placement was
26 effective September 1, 2001. Xenia Manufacturing had an application which resulted in the policy
27 being effective during the first week of September, 2001.

28 Upon receipt of the Cease and Assist Order, Horizon placed no further clients with

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1 Employers Mutual and made efforts to move the previous above-mentioned clients. The Centre
2 State Group was moved on September 1, 2001. Xenia would not be moved and indicated that it
3 would stop payment on its premium checks and pay claims itself.

4 Horizon Insurance Company and Stephen Blust have received no premiums or
5 commissions on the sale of this insurance.

6 Again, other than the document and the Complaint which have been produced pursuant to
7 this litigation, this Defendant has no further knowledge of the events leading up to said litigation.

8 The factual/legal issues to be resolved are unclear except for a determination as to the
9 alleged damages complained of by the particular parties with claims against these defendants and
10 the liability of these defendants for any of these claims.

11 **II.**

12 **Affiliated Companies and Counsel**

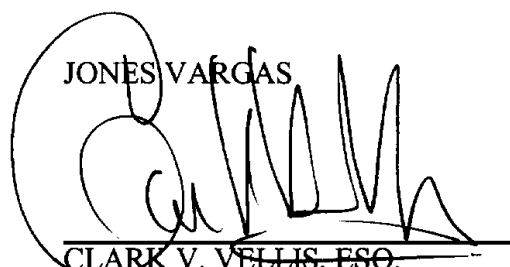
13 Mr. Clark Vellis of Jones Vargas is representing Horizon Insurance Associates and Stephen
14 Blust. There are no other associated counsels or affiliated companies with Horizon or Mr. Blust.

15 **III.**

16 **List of Related Cases**

17 These Defendants know of no other related cases that are pending.

18 DATED this 31st day of July, 2003.

19
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21 
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